Name of Project	Capacity	Remarks
Barauni TPS Expansion	160 MW	Scheme received in Jan. 1999 but returned in May, 1989 as fuel linkage could not be tied up by BSEB.

Ahluwalia Committee on NTPC

†5203. SHRI, P .K. MAHESHWARI:
SHRI RAMA MUNI REDDY SIRIGIREDDY:

Will he Minister of POWER be pleased to state:

(a) when the report of Ahluwalia Committee on NTPC was receive by government and the details of recommendations made by it;

(b) the States who have accepted this report, so far; and

(c) the steps taken by the concerned States regarding the payment of arrears of NTPC?

MINISTER OF STATE IN THE MINISTRY OF POWER) (SHRIMATI JAYAWANTI MEHTA): (a) to (c) The Expert Group under the Chairmanship of Montek Singh Ahluwalia on the settlement of outstanding dues of the State Electricity Boards (SEB's) payable to the Central Public Sector Undertakings (CPSUs) including NTPC, submitted its report in May, 2001. It was considered on 6.07.2001 and endorsed, with minor modifications, by the High level Empowered Group consisting of nine Chief Ministers, the Deputy Chairman, Planning Commission, the Minister of Power and the Minister of Finance. The Ahluwalia Committee had proposed coverage of outstanding dues upto 28.02.2002. The Government have now approved coverage of dues upto 30.09.2001

The salient features of the scheme of one-time settlement of outstanding SEB dues are given in enclosed Statement. (*See* below)

†Original notice of the question was received in Hindi.

The State Governments had been apprised of the scheme for one-time settlement of SEBs dues. Andhra Pradesh and West Bengal have signed the tripartite agreement. The following States have given their consent/'In-principle' consent to sign the agreement:

(1) Chhattisgarh	(2) Haryana
(3) Jammu & Kashmir	(4) Kerala
(5) Karnataka	(6) Madhya Pradesh
(7) Maharashtra	(8) Punjab
(9) Tamil Nadu	(10) Uttar Pradesh
(11) Gujarat	(12) Uttaranchal

Statement

Salient feature of the scheme for one-time settlement of outstanding SEB dues:

(a) The scheme would come into force from 17-04-2001, date of issue of approval of the Government.

(b) For the states participating in the scheme, 60% of the interest/surcharge on the delayed payments as on 30-09-2001 would be Waived off.

(c) The rest of the dues amounting to the full principal amount as well as the remaining 40% of the interest/surcharge would be securitised through bonds issued by the respective State Governments.

(d) The bonds would be issued through RBI at a tax-free interest rate of 8.5% per annum. The terms of bonds should be structured to achieve a moratorium of 5 years on repayment of principal with the entire principal being repaid between the 6th and 15th year. These bonds would be identical to bonds issued in connection with the market borrowings of State Governments, with the attendant discipline in repayments. The bonds will be subject to lock-in restrictions that will allow release of only 10 per cent of the bonds in the secondary market each year.

(e) For ensuring timely payment of current dues in future, defaults in current payment for powerlfuel would attract a graded reduction in the supply of power from central power stations and in coal supplies. Where such defaults exceed 90 days from the date of billing, the Ministry of Finance shall recover these dues through adjustment against releases due to them from the Centre.

(f) In order to initiate steps towards reform of the sector, the State Governments/SEBs shall accept reform-based performance milestones such as setting up of SERCs, metering of distribution feeders, improvement in revenue realisation and other such milestones specified in the MOUs signed/to be signed with the Ministry of Power.

(g) The States shall be offered incentives for complying with the scheme. If SEBs or their successor entities, (other than the ones not owned by the State Government) do not default on their current dues and adhere to the performance milestones, CPSUs shall pay them, during the first year commencing from 1.1 .2001, bi-annual cash incentives equal to 3 per cent of the value of bonds in the first year, 2.5% in the second year and 2% in the third and fourth years. Further, if SEBs open and mantain Letters of Credit (LCs) till the end of December 2002, CPSUs shall pay them a one-time cash incentive equal to 2 per cent of the value of bonds. In addition, States undertaking reforms shall also be assisted through Accelerated Power Development and Reform Programme (APRDP) grants and discretionary allocation of Power.

(h) The States that withhold their consent beyond 60 days after this scheme enters into force shall be denied any share in the discretionary allocation of 15 per cent from their power stations of CPSUs as well as any assistance under APRDP. If the overdues of such States exceeded Rs. 50 crore in respect of any CPSUs, they would also attract reduction in power and coal supplies, as applicable to the States partcipating in this scheme.

(i) Outstanding dues as on 30.09.2001 would form the basis of the one-time settlement. Dues that accrue after this date would not form part of the scheme. As regard bonds issued in the past in -lieu of outstanding dues of SEBs, all bonds issued after 1-3-1998 can be converted into State Government bonds at the option of the respective State Government. These bonds would form part of the scheme. However, any agreements entered in the past of which the old bonds are a part should not be re-opened. Only conversion of bonds under the present scheme shall be permitted.

(j) The scheme covers the outstanding dues payable by the SEBs to the National Thermal Power Corporation (NTPC), National Hydro-electric Power Corporation (NHPC), North Eastern Electric Power Corporation (NEEPCO), Power Grid Corporation of India limited, (PGCIL) & Damodar Valley Corporation (DVC) under the Ministry of Power, Coal India Limited (CIL) & its subsidiaries and Neyveli Lignite Corporation (NLC) under the Department of Coal, Nuclear Power Corporation of India (NPC) under the Department of Atomic Energy and the Ministry of Railways.

Surplus Power of Eastern States Transmitted to Deficient States

5204. SHRI VIJA Y J. DARDA: Will the Minister of POWER be please to state:

(a) whether it is a fact that the installed capacity of power in the Eastern region is more than their requirement;

(b) if so, the surplus power available in the Eastern region and how the same is being utilized;

(c) whether the surplus power is being transmitted to the deficient States and if so, the rates at which the power is supplied to these States; and